



Case No. 2008-00376

(270) 465-4101 • Fax (270) 789-3625
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August 29, 2008

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PUBLIC SERVICE
COMMISSION

Hon. Stephanie L. Stumbo, Executive Director
Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, KY 40602

Dear Hon. Stumbo:

Taylor County RECC sent the enclosed letter to RUS with a copy to the PSC in January 2008.

RUS has now notified Taylor County that they had approved the deferred plan subject to approval by the Kentucky Public Service Commission.

Taylor County request by this letter that the Public Service Commission approve the deferred plan for retiring meters as explained by the January 17, 2008 letter.

Sincerely,

TAYLOR COUNTY RURAL ELECTRIC
COOPERATIVE CORPORATION

John F. Patterson, Office Manager

JFP:pwr

Enc



(270) 465-4101 • Fax (270) 789-3625
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January 17, 2008

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PUBLIC SERVICE
COMMISSION

Joseph S. Badin, Director
RUS -Northern Regional Division
Stop 1566
1400 Independence Avenue, S.W.
Washington, D.C. 20250-1566

Dear Mr. Badin:

Taylor County implemented an automated Meter Reading ("AMR") project where all of its current meters are being replaced with AMR meters. In conjunction with the meter replacement project, Taylor County is proposing to write-off its meters and the associated accumulated depreciation. This will result in a large adjustment that Taylor County is proposing to amortize. It is our opinion that the one time amount should not be expensed in one (1) year since this is the result of years of accumulating meters and then retiring all these meters in a single project.

Taylor County does not maintain accumulated depreciation at the individual plant level, but records all depreciation for distribution plant in Account No. 108.60, Accumulated Depreciation. To record the net adjustment, the ratio of meters retired to total distribution plant was applied to the accumulated depreciation on distribution plant total to arrive at the associated accumulated depreciation for meters retired.

The proposed adjustment to retire meters and remove the accumulated depreciation is as follows:

DR	Acct. 108.60, Accumulated Depreciation	\$ 302,256.83	
DR	Acct. 182.10, Extraordinary Property Losses	1,205,258.55	
CR	Acct. 370.00, Meters		\$1,507,515.38

Joseph S. Badin, Director
RUS -Northern Regional Division
January 17, 2008
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Taylor County is proposing to amortize the Deferred Change over a 5-year period. The proposed adjustment to amortize the net retirement of meters is as follows:

DR	Acct 407.00, Amortization of Property Losses	\$ 241,051.71	
CR	Acct 182.10, Extraordinary Property Losses		\$ 241,051.71

Should you have any questions, or need additional information, please do not hesitate to contact us.

Respectfully submitted,

TAYLOR COUNTY RURAL ELECTRIC
COOPERATIVE CORPORATION



John F. Patterson,
Office Manager

JFP:pwr

cc: Public Service Commission